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FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Case No: 18-50946 LMJ
Case Name: Product Quest Manufacturing, Llc

Judge: Lena M. James

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Date Filed (f) or Converted (c): 10/31/2018 (c)

341(a) Meeting Date: 12/07/2018

For Period Ending: 01/11/2019

Claims Bar Date:

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Formally Abandoned OA=554(a)	Sale/Funds Received by the Estate	Asset Fully Administered (FA) Gross Value of Remaining Assets	Lien Amount	Exempt Amount
1. Funds On Hand from Ch. 11 Operations (u)	Unknown	300,000.00		300,000.00	FA	0.00	0.00
2. 19.3 Raw Materials, Packaging	3,535,265.00	Unknown		75,622.73	Unknown	0.00	0.00
3. 11.a. Accounts Receivable, 90 Days Old or Less, Retail	1,874,868.73	Unknown		174,010.20	Unknown	0.00	0.00
4. 7.1 Deposits	64,930.34	Unknown		1,532.62	Unknown	0.00	0.00
5. Refund for Unused Portion of D&O Policy (Willis of Texas, Inc.) (u)	Unknown	65,469.99		65,469.99	0.00	0.00	0.00
6. 19.2 Raw Materials, Chemicals	4,848,495.10	Unknown		392,346.00	Unknown	0.00	0.00
7. 3.1 Bank of America Depository (5747)	2,739,361.78	Unknown		0.00	Unknown	0.00	0.00
8. 3.2 Bank of America Disbursement (8917)	0.00	0.00		0.00	0.00	0.00	0.00
9. 3.3 Bank of America Payroll (8933)	36,365.45	Unknown		0.00	Unknown	0.00	0.00
10. 3.4 Bank of America Petty Cash (8920)	0.00	0.00		0.00	0.00	0.00	0.00
11. 3.5 Bank of America SBR (3190)	0.00	0.00		0.00	0.00	0.00	0.00
12. 7.1 Deposits, including security deposits and utility deposits	64,930.34	Unknown		0.00	Unknown	0.00	0.00
13. 8.1 Prepayments	479,480.52	Unknown		0.00	Unknown	0.00	0.00
14. 11.a. Accounts Receivable, 90 Days Old or Less, Contract	1,450,502.48	Unknown		0.00	Unknown	0.00	0.00
15. 11.b. Accounts Receivable Over 90 Days Old, Contract	230,368.61	Unknown		0.00	Unknown	0.00	0.00
16. 11.b. Accounts Receivable Over 90 Days Old, Retail	176,436.42	Unknown		0.00	Unknown	0.00	0.00
17. 11.b. Accounts Receivable Over 90 Days Old, Technology	14,191.67	Unknown		0.00	Unknown	0.00	0.00
18. 19.1 Raw Materials, Bulk	2,033,038.90	Unknown		0.00	Unknown	0.00	0.00
19. 20.0 Work In Progress	168,018.10	Unknown		0.00	Unknown	0.00	0.00
20. 21.1 Finished Goods - Contract	5,220,888.20	Unknown		0.00	Unknown	0.00	0.00
21. 21.2 Finished Goods - In Transit	280,258.00	Unknown		0.00	Unknown	0.00	0.00

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Judge: Lena M. James

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Date Filed (f) or Converted (c): 10/31/2018 (c)

341(a) Meeting Date: 12/07/2018

For Period Ending: 01/11/2019

Claims Bar Date:

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Formally Abandoned OA=554(a)	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets	Lien Amount	Exempt Amount
22. 22.1 Other Inventory or Supplies, Excess & Obsolete Reserves	0.00	0.00		0.00	0.00	0.00	0.00
23. 39.1 Office Furniture	29,773.39	Unknown		0.00	Unknown	0.00	0.00
24. 40.1 Office Fixtures QC Office HVAC	1,321.33	Unknown		0.00	Unknown	0.00	0.00
25. 41.0 Office equipment, computers, systems and softwares	171,459.01	Unknown		0.00	Unknown	0.00	0.00
26. 47.0 Automobiles, vans, trucks, motorcycles, trailers, & titled farm vehicles	37,758.80	Unknown		0.00	Unknown	0.00	0.00
27. 50.0 Other Machinery, fixtures & equipment	3,592,210.83	Unknown		0.00	Unknown	0.00	0.00
28. 77.1 Other Property, Intercompany Debt (90 Days Old or Less)	92,101.33	Unknown		0.00	Unknown	0.00	0.00
29. 77.2 Other property, Intercompany Debt (Over 90 Days)	434.27	Unknown		0.00	Unknown	0.00	0.00
30. 60.0 Patents, Copyrights, Trademarks & Trade Secrets	Unknown	Unknown		0.00	Unknown	0.00	0.00
31. 63.1 Customer Lists, Mailing List & Other Compilations	Unknown	Unknown		0.00	Unknown	0.00	0.00
32. 65.0 Goodwill	Unknown	Unknown		0.00	Unknown	0.00	0.00
33. 74.0 Causes of Action The representations and warranties insurance claim arises from alleged breaches in certain representations and warranties made by former owners to the Kainos Capital acquisition entity in the August 14, 2015, Contribution and Unit Purchase Agreement, relating to the acquisition of Product Quest Manufacturing, LLC. The Trustee believes that this asset has been assigned to Lender and the Lender is separately pursuing recovery. the only value to the estate for this asset is that any recovery will reduce Lender's claim in this case.	Unknown	0.00		0.00	0.00	0.00	0.00

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			Gross Value of Remaining Assets		
TOTALS (Excluding Unknown Values)	\$27,142,458.60	\$365,469.99	\$1,008,981.54	\$0.00	\$0.00
			(Total Dollar Amount in Column 6)		

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

FIRST INTERIM

Orders were entered during the preceding quarter authorizing the Debtor to continue to operate the business of Product Quest Manufacturing in order to effect an orderly wind-down. In connection therewith, the Trustee has submitted to the Court a Monthly Report of Operations During the Month of November, reference to which is hereby made. Additional Monthly Reports will be filed.

Generally, this is a case where the lender is underwater and all assets are over collateralized. Efforts are being made toward the sale of all of the assets and a "turn key" sale. Should that sale not be forthcoming, piecemeal liquidation of the assets will be undertaken utilizing the services of the Tiger Group, the Trustee's court authorized liquidation agent.

During the upcoming quarter efforts will continue toward the liquidation of estate assets. In addition, the Trustee intends to investigate the existence of Section 547 preference claims and potential claims under insurance policies maintained by the Debtor.

Initial Projected Date of Final Report (TFR): 12/21/2020 Current Projected Date of Final Report (TFR): 12/21/2020

Trustee Signature: /s/ C. EDWIN ALLMAN, III, Trustee Date: 01/11/2019

C. EDWIN ALLMAN, III, Trustee
380 KNOLLWOOD ST., STE. 700
WINSTON-SALEM NC 27103
(336) 631-1433
ceallman@allmanspry.com

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FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 18-50946

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Case Name: Product Quest Manufacturing, Llc

Bank Name: Union Bank

Account Number/CD#: XXXXXX0906

Checking

Blanket Bond (per case limit): \$600,000.00

Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401

For Period Ending: 12/31/2018

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
			Balance Forward				\$0.00
11/20/18	1	Product Quest Manufacturing LLC 2865 N. Cannon Blvd. Kannapolis, NC 28083	Funds On Hand from Ch. 11 Operations	1290-000	\$300,000.00		\$300,000.00
11/27/18	4	PRODUCT QUEST MANUFACTURING LLC DEBTOR IN POSSESSION 2865 N. CANNON BLVD. KANNAPOLIS, NC 28083	DEPOSITS AND PREPAYMENTS (#81) Vanderbilt Minerals	1129-000	\$1,532.62		\$301,532.62
11/27/18	3	PRODUCT QUEST MANUFACTURING LLC DEBTOR IN POSSESSION 2865 N. CANNON BLVD. KANNAPOLIS, NC 28083	AR/ LESS THAN 90 DAYS, RETAIL CHAIN DRUG	1129-000	\$28,865.40		\$330,398.02
12/06/18	101	FPL 9250 West Flagler Street, Suite 2420 Miami, FL 33174	Power Bills - Multiple Locations 76845-06046: \$81.71; 23291-31169: \$71.90 07263-70174: \$1,315.11; 45335-21169: \$158.92 77634-53003: \$298.33; 81480-84091: \$150.34 23775-43000: \$128.20; 93475-41162: \$95.89 55999-31168: \$173.78	2690-000		\$2,474.18	\$327,923.84
12/07/18	5	Willis of Texas, Inc. c/o National Accounting Center 26 Century Boulevard Nashville, TN 37214	Overpayment of Funds for D&O Policy	1129-000	\$65,469.99		\$393,393.83
12/11/18	6	PRODUCT QUEST MANUFACTURING LLC 2865 N. CANNON BLVD. KANNAPOLIS, NC 28083	19.2 PREPAY CHEMICALS (STARCO/BOV SOLUTIONS) WIRE RECEIVED 12/4/18 INTO DEPOSIT ACCOUNT	1129-000	\$390,518.23		\$783,912.06

Page Subtotals:

\$786,386.24

\$2,474.18

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FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 18-50946

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Case Name: Product Quest Manufacturing, LLC

Bank Name: Union Bank

Account Number/CD#: XXXXXX0906

Checking

Blanket Bond (per case limit): \$600,000.00

Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401

For Period Ending: 12/31/2018

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
12/15/18	102	FPL GENERAL MAIL FACILITY MIAMI, FL 33188-0001	Electric Bills 93475-41162 (440 Fantress #1): \$731.73 23775-43000 (440 Fantress #3): \$1,120.38 40250-53002 (440 Fantress Ste 101): \$326.02	2690-000		\$2,178.13	\$781,733.93
12/19/18	103	TRAILER BRIDGE, INC. 10405 NEW BERLIN ROAD EAST JACKSONVILLE, FL 32226	INVOICE #190381-1 PICKUP PQ HOLLY HILL; DELIVER EI KANNAPOLIS	2690-000		\$890.00	\$780,843.93
12/21/18	104	Paychex Human Resource Services General Post Office PO Box 29769 New York, NY 10087-9769	Client #0944-Y4392935 One-half of statement #'s 18902246 (Oct-18), 18915848 (Nov-18), 18911524 (Sept-18) and 18911524 (Oct-18)	2690-000		\$2,626.50	\$778,217.43
12/26/18	105	WILLIS OF TEXAS, INC. PO BOX 731739 DALLAS, TX 75373-1739	INVOICE #2252776 Reversal MATH ERROR - CHECK CUT FOR \$0.01 LESS (SEE CHECK #108)	2690-000		(\$20,558.87)	\$798,776.30
12/26/18		Union Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$148.21	\$798,628.09
12/26/18	105	WILLIS OF TEXAS, INC. PO BOX 731739 DALLAS, TX 75373-1739	INVOICE #2252776 PRODUCT QUEST MANUFACTURING'S PORTION OF: POLICY #'S 79500803 (RENEWAL BUSINESS); 795008903 (SURPLUS LINES TAX); 795008903 (STAMPING FEE); 795008903 (DEM EMP); 795008903 (SURPLUS LINES TAX)	2690-000		\$20,558.87	\$778,069.22

Page Subtotals:

\$0.00

\$5,842.84

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FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 18-50946

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Case Name: Product Quest Manufacturing, Llc

Bank Name: Union Bank

Account Number/CD#: XXXXXX0906

Checking

Blanket Bond (per case limit): \$600,000.00

Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401

For Period Ending: 12/31/2018

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
12/26/18	106	WILLIS OF TEXAS, INC. PO BOX 731739 DALLAS, TX 75373-1739	INVOICE #2252790 PRODUCT QUEST MANUFACTURING'S PORTION OF: POLICY #'S W19803180401 (RENEWAL BUSINESS); W1903180401 (SURPLUS LINES TAX); W19803180401 (STAMPING FEE); W19803180401 (DEM EMP); W19803180401 (SURPLUS LINES TAX)	2690-000		\$44,294.34	\$733,774.88
12/26/18	107	WILLIS OF TEXAS, INC. PO BOX 731739 DALLAS, TX 75373-1739	INVOICE # 2252794 PRODUCT QUEST MANUFACTURING'S PORTION OF: POLICY # US00072720PR18A (RENEWAL BUSINESS)	2690-000		\$2,558.42	\$731,216.46
12/26/18	108	WILLIS OF TEXAS, INC. PO BOX 731739 DALLAS, TX 75373-1739	INVOICE #2252776 PRODUCT QUEST MANUFACTURING'S PORTION OF: POLICY #'S 79500803 (RENEWAL BUSINESS); 795008903 (SURPLUS LINES TAX); 795008903 (STAMPING FEE); 795008903 (DEM EMP); 795008903 (SURPLUS LINES TAX)	2690-000		\$20,558.86	\$710,657.60

Page Subtotals:

\$0.00

\$67,411.62

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FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 18-50946

Trustee Name: C. EDWIN ALLMAN, III, Trustee

Case Name: Product Quest Manufacturing, LLC

Bank Name: Union Bank

Account Number/CD#: XXXXXX0906

Checking

Blanket Bond (per case limit): \$600,000.00

Separate Bond (if applicable):

Taxpayer ID No: XX-XXX4401

For Period Ending: 12/31/2018

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
12/28/18		Product Quest Manufacturing LLC 2865 N. Cannon Blvd. Kannapolis, NC 28083	RECEIPTS 12/17/18 - 12/21/18 SPLIT 12/18/18 CGI Packing (\$75,622.73) 12/19/18 Valeant A/R Contract (\$38,286.21) 12/19/18 Valeant Pre-Pay Chemical (\$1,827.77) 12/19/18 Topco A/R Retail (\$79,685.30) 12/19/18 Chain Drug A/R Retail (\$18,768.49) 12/19/18 Chain Drug A/R Retail (\$8,404.80)		\$222,595.30		\$933,252.90
			Gross Receipts \$222,595.30				
	2		19.3 Raw Materials, Packaging \$75,622.73	1129-000			
	3		11.a. Accounts Receivable, 90 Days Old or Less, Retail \$145,144.80	1121-000			
	6		19.2 Raw Materials, Chemicals \$1,827.77	1129-000			
12/28/18	109	FPL GENERAL MAIL FACILITY MIAMI FL 33188-00001	Power Bills - Multiple Locations Account No. Statement Date Service Address Amount 07263-70174 Dec 19 2018 330 Carswell Ave \$1,282.81 23291-31169 Dec 19 2018 343 Carswell Ave \$48.70 45335-21169 Dec 19 2018 330 Carswell Ave # Garage \$174.51 55999-31168 Dec 19 2018 343 Carswell Ave # Rear \$196.16 76845-06046 Dec 19 2018 330 Carswell Ave # OL \$129.01 77634-53003 Dec 19 2018 540 Carswell Ave \$836.36 81480-84091 Dec 19 2018 330 Carswell Ave # AC \$41.16 TOTAL \$2,708.71	2690-000		\$2,708.71	\$930,544.19

Page Subtotals:

\$222,595.30

\$2,708.71

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COLUMN TOTALS	\$1,008,981.54	\$78,437.35
Less: Bank Transfers/CD's	\$0.00	\$0.00
Subtotal	\$1,008,981.54	\$78,437.35
Less: Payments to Debtors	\$0.00	\$0.00
Net	\$1,008,981.54	\$78,437.35

Page Subtotals:	\$0.00	\$0.00
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TOTAL OF ALL ACCOUNTS			
	NET DEPOSITS	NET DISBURSEMENTS	ACCOUNT BALANCE
XXXXXX0906 - Checking	\$1,008,981.54	\$78,437.35	\$930,544.19
	\$1,008,981.54	\$78,437.35	\$930,544.19
	(Excludes account transfers)	(Excludes payments to debtors)	Total Funds on Hand
Total Allocation Receipts:	\$0.00		
Total Net Deposits:	\$1,008,981.54		
Total Gross Receipts:	\$1,008,981.54		

Trustee Signature:

/s/ C. EDWIN ALLMAN, III, TrusteeDate: ~~04/10/2019~~

1/11/19

C. EDWIN ALLMAN, III, Trustee
 380 KNOLLWOOD ST., STE. 700
 WINSTON-SALEM NC 27103
 (336) 631-1433
 ceallman@allmanspry.com

Page Subtotals:

\$0.00

\$0.00